

The complaint

Ms L has complained that Equifax Limited reported incorrect information on her credit file.

What happened

Ms L was having trouble getting credit. In September 2019, she found that another person's credit history had been added to her file, including negative information. She discovered that her bank had linked her file with this other individual as they had similar details.

Ms L complained. Her bank admitted the error and gave her a letter to confirm the other person's information should be removed. Ms L gave Equifax this letter and set out which details were hers and which were the other person's. Over the following months, Equifax raised several disputes with the bank, but the bank kept giving them the same response – which just said to get in touch with customer services.

In March 2020 – six months on – the bank's incorrect information was finally removed. But by that point, another company had linked Ms L to the other individual, and it took several more months before Equifax raised a dispute, and further months before that information was corrected too.

Equifax agreed they'd taken too long to deal with Ms L's complaint and apologised. Our investigator looked into things independently and felt that was sufficient, as the error had primarily been caused by Ms L's bank.

Ms L asked for an ombudsman to look at things afresh. She asked if her Equifax subscription fees could be refunded, as she'd only signed up so she could better keep track of her file while the disputes were ongoing. The complaint was passed to me to decide.

I sent Ms L and Equifax a provisional decision on 12 January 2022, to explain why I thought the complaint should be upheld. In that decision, I said:

From the evidence I have, it looks like Ms L was linked to the other individual due to incorrect information her bank provided. And her bank appears to have admitted their error. It also looks like, despite telling Ms L they'd fix the matter, her bank gave a different – and rather unhelpful – set of responses to Equifax. So there's only so much I can see Equifax are responsible for here. I've also kept in mind that Equifax broadly had some reliance on the information that they were given.

With that said, the bank say that they sent requests of their own to Equifax to remove the incorrect information, and that Equifax didn't act on this until March 2020. Further, Ms L provided the bank's letter to Equifax confirming the information was incorrect very early on in the process – so Equifax were on notice that they were reporting someone else's data and that the bank had already confirmed this. And in response to the disputes, the bank did not say the information was correct – they just sent Equifax generic responses saying to speak to customer services. With that in mind, I think Equifax should have done more to escalate the issue with the bank so they could work things out together. Instead, it looks like on each occasion Equifax just accepted these lacking responses, waited for Ms L to push back, and then repeated the same dispute process again as if that was likely to achieve a different outcome. That doesn't seem like the most helpful approach when they already had confirmation in writing from the bank that the information should be removed.

I also note that Ms L was clear and consistent from the start about which details were hers and which were this other individual's. So it's disappointing to see that when another company added data to Ms L's file based on that other person's details, it took several more months for Equifax to raise a dispute, and further months before that was sorted out too. Further, Equifax have accepted that they were too slow in responding to Ms L, and I agree.

So while I think large parts of the matter were not Equifax's fault, I also think they could have taken a more active role and helped get this issue sorted out much earlier – which could have really mitigated all the trouble and upset Ms L went through over the many months this went on. While Equifax have given Ms L an apology, I think compensation is a better way to put things right and acknowledge the impact of what happened.

I've also considered Ms L's request to have her membership fees removed. It looks like, as she said, she only signed up in order to help her deal with all the incorrect information showing up on her Equifax file, and she cancelled her membership after it got sorted out. And I can't see that the free alternatives were clearly highlighted in the correspondence I've been given. So in her situation, it seems like a reasonable request to get those fees back, and a fair way to draw a line under what seems to have been a lengthy and stressful matter.

I said I'd consider anything else anyone wanted to give me – so long as I received it by 9 February 2022. Equifax didn't add anything further. Ms L made some further comments, which I'll talk about below.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Ms L raised some new concerns about some "consumer enquiry" soft searches on her credit file. This is a new issue that was not part of her original complaint, so strictly speaking I can't address that here. But I will note that from the limited screenshots Ms L has sent, those appear to be entries denoting when Ms L looked up her credit file herself, or ordered an updated version of her file, and so on.

They don't appear to be applications for credit – the company is listed as “Equifax” (as opposed to e.g. “Loan Company X” for a loan application) and the search type as “Consumer Enquiry” (i.e. an enquiry from Ms L, as opposed to e.g. “Credit Quotation” or “ID check for Money Laundering Regs” for a credit application). I'd also clarify that soft searches are only visible to Ms L and won't affect her credit applications or otherwise harm her. So on the face of it, they don't seem to be something to worry about, they just look like records of when Ms L checked her own file. But if Ms L would like to look into that in more detail, she should get back in touch with Equifax in the first instance. Then if she's not happy with their response, she can raise that new issue with us as a separate case.

I will also clarify that for future, Ms L can monitor her credit file for free either by asking Equifax for a copy of her statutory credit report, or by signing up to free monitoring services such as ClearScore.

Ms L also explained she was very worried that the person she got mixed up with could have accessed her bank account. I do understand her concern, but I hope I can reassure her that her credit file and bank account are two quite separate things. Her bank will have their own separate security measures, such as a chip and PIN for her card, online banking security, a fraud department, and so on. The person she got mixed up with would have no more access to Ms L's account than Ms L has access to theirs. I'd also note that we only award compensation for things which did happen, rather than for things which could have happened, but did not. And I'd reiterate that Equifax were not primarily responsible for what went wrong here.

I also appreciate Ms L would like reassurance that nothing like this would ever happen again. I cannot guarantee that no bank will ever mix things up for her again. Banks are staffed by people, people do make mistakes from time to time, and no system is always perfect. But this particular issue has been resolved, it's now been noted that Ms L and this other person are certainly not the same, it is generally rare for things like this to happen, and if Ms L needs our help in future she can always get in touch.

Lastly, Ms L suggested some regulatory changes. I've taken her comments on board, but we're not the regulator – that's the Financial Conduct Authority (FCA for short). We're here to look at individual complaints, and we can't change the way the industry works across the board. But Ms L can always pass her comments to the FCA. And we also give them our complaints data to help them regulate the industry.

Aside from those points, neither side provided any new evidence or arguments. So having reviewed the case again, I've come to the same conclusion as before, and for broadly the same reasons as set out in my provisional decision above.

Putting things right

I direct Equifax Limited to:

- Refund the subscription fees involved, which I understand to total £206.55; and-
- Pay Ms L an additional £100 compensation.

My final decision

I uphold Ms L's complaint, and direct Equifax Limited to put things right in the way I set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms L to accept or reject my decision before 10 March 2022.

Adam Charles
Ombudsman